

CHAPTER 4

INTERSERVICING

4.1 INTRODUCTION

The Department of Defense depot maintenance policy emphasizes aggressive use of interservice maintenance support whenever increased economy to the Government will result, and when such support is consistent with operational requirements. Under the current Depot Maintenance Interservice (DMI) Program concept, the military Services individually and jointly are exercising use of interservice capabilities to comply with this policy.

The overriding objective of increased interservicing is to perform workloads within the cost, quality, and schedule requirements of the Principal Service. Interservicing benefits include savings from greater economies of scale through consolidations, which reduce recurring costs to the customer. The losing activity realizes less cost through overhead reductions associated with reduced workload and downsizing its facilities to eliminate underutilized capacity.

4.2 CURRENT INTERSERVICING LEVELS

4.2.1 Methodology to Measure Interservicing

DoDD 4151.18 defines "Interservicing Maintenance Support" as "maintenance either recurring or nonrecurring, performed by the organic capability of one military Service or element thereof in support of another military Service or element thereof." This traditional concept of interservicing is, however, only one portion of the total DMI Program. DMI Program Workload is performed at DoD installations and commercial contractors associated with interservice support (i.e., work performed under depot maintenance interservice support agreements, depot maintenance work managed under the nonconsumable item material support exchange program, and work performed under joint depot maintenance contracts). The definitions of the various DMI Program Workload elements are as follows:

Interservice: Maintenance, either recurring or nonrecurring, performed by the organic capability of one military Service/Defense Logistics Agency (DLA) or element thereof in support of another military Service or element thereof.

Other Interservice: Maintenance performed in support of other DoD agencies other than military Services/DLA (such as the Defense Security Assistance Agency and the Defense Intelligence Agency) by the organic capability of one military Service/DLA or element thereof, or by a commercial firm pursuant to a contract negotiated by one of the military Services/DLA.

Joint Contracting: Maintenance performed by a contractor for more than one DoD component under one contract that is administered by one component. (In the calculation of DMI Program Workload this category includes the Air Force joint Contractor Field Team (CFT) program, administered by the Defense Contract Management District Mid-Atlantic (DCMDM).)

Nonconsumable Item Materiel Support Code (NIMSC 5): Logistics support for recoverable items used by two or more military Services whereby the military Service which is the Primary Inventory Control Activity (PICA) is responsible for all logistics functions including depot maintenance. To obtain maintenance support for these items, military Services that are Secondary Inventory Control Activities (SICA) submit funded requisitions for their supply requirements, and return unserviceable items to the PICA for credit. The PICA, in turn, obtains depot maintenance, either organically, or contractually, for the unserviceable items and returns them to stock for reissue.

Two concepts are used in the computation of the interservicing level, non-susceptible workload and susceptible workload. The definitions of these concepts are:

Non-susceptible Workload: Workload that, due to requirements for specialized resources, does not lend itself to interservicing. These specialized resources include drydocks, large hangars, nuclear facilities, and large missile handling capabilities. Such resources reside in only one Service, and associated workloads cannot be considered for interservicing. This approach excludes workloads such as strategic bomber airframes (B-1, B-2, B-52), large transport airframes (C-5, C-135, C-141), and specific strategic missile workloads (Minuteman, Peacekeeper, Trident).

Susceptible Workload: Workload that is other than non-susceptible.

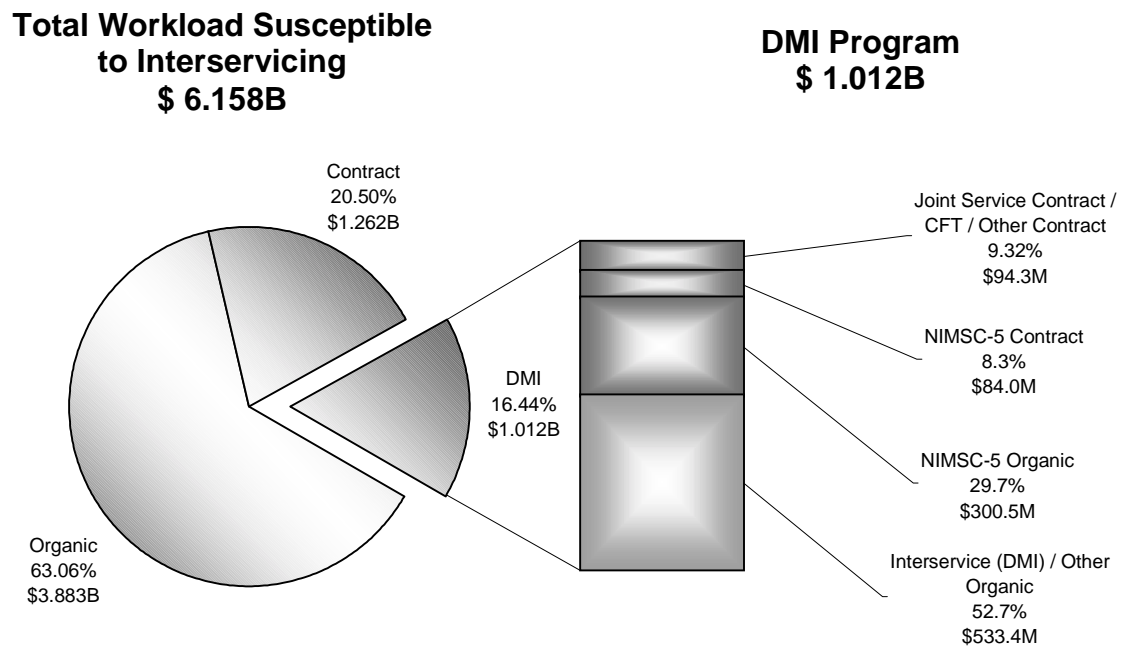
For computation of the interservicing level, the susceptible workload level is determined by subtracting the non-susceptible workload from the total workload. The percentage of interservice workload is then determined by summing the DMI Program Workload elements identified above, and dividing the total by the total DoD workload base that is susceptible to interservicing.

4.2.2 Interservicing Data

FY99 is the most recent year for which completed workload data are available. Interservicing data shown are from the DoD Depot Maintenance Cost System database with additives for the Contract Field Team workloads. Depot Maintenance Cost System data primarily reflect only financial completions reported during a particular fiscal year. The FY98 and FY99 DMI Program Workloads have been quantified under the approach described above.

As shown on Chart 4-1, the FY98 DMI Program Workload is 16.4 percent of the FY98 DoD program susceptible to interservicing.

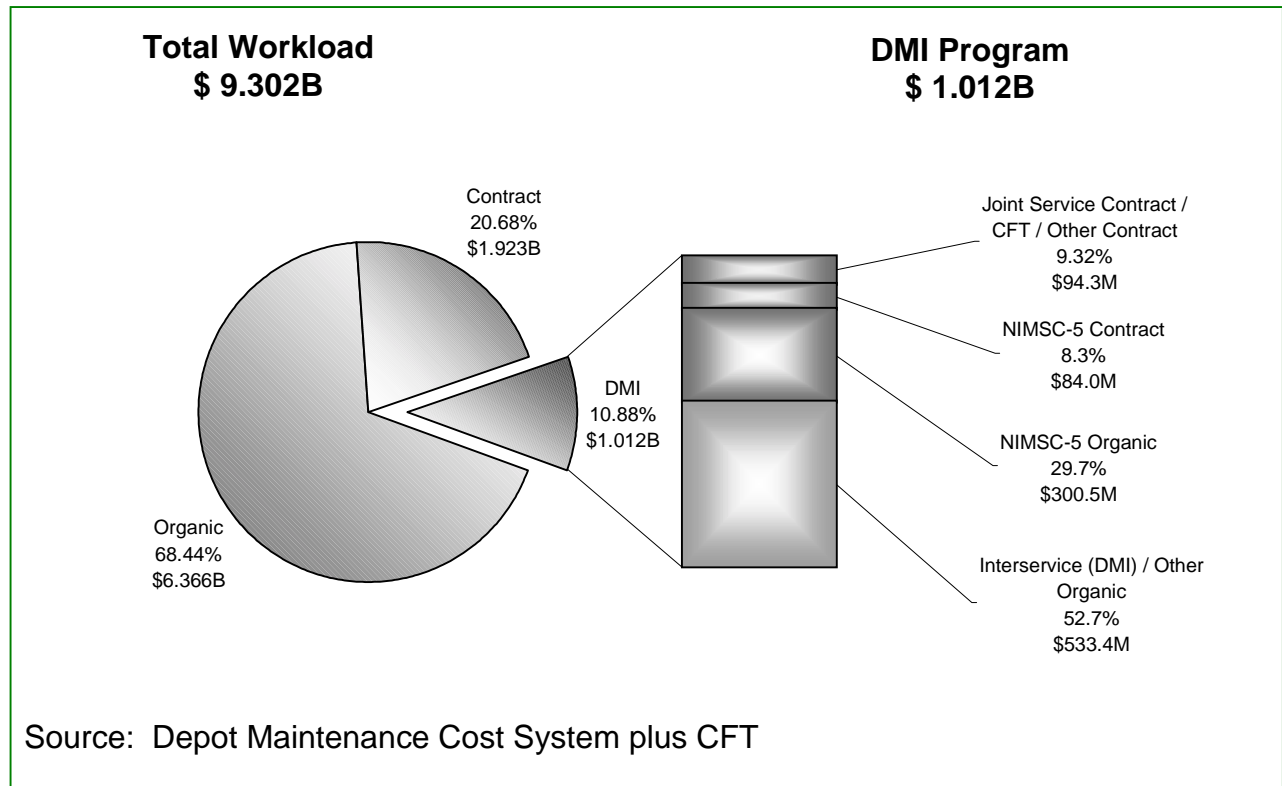
Chart 4-1
FY98 Completed Depot Maintenance Interservice Workloads
for Only Workload Susceptible to Interservicing



Source: Depot Maintenance Cost System plus CFT

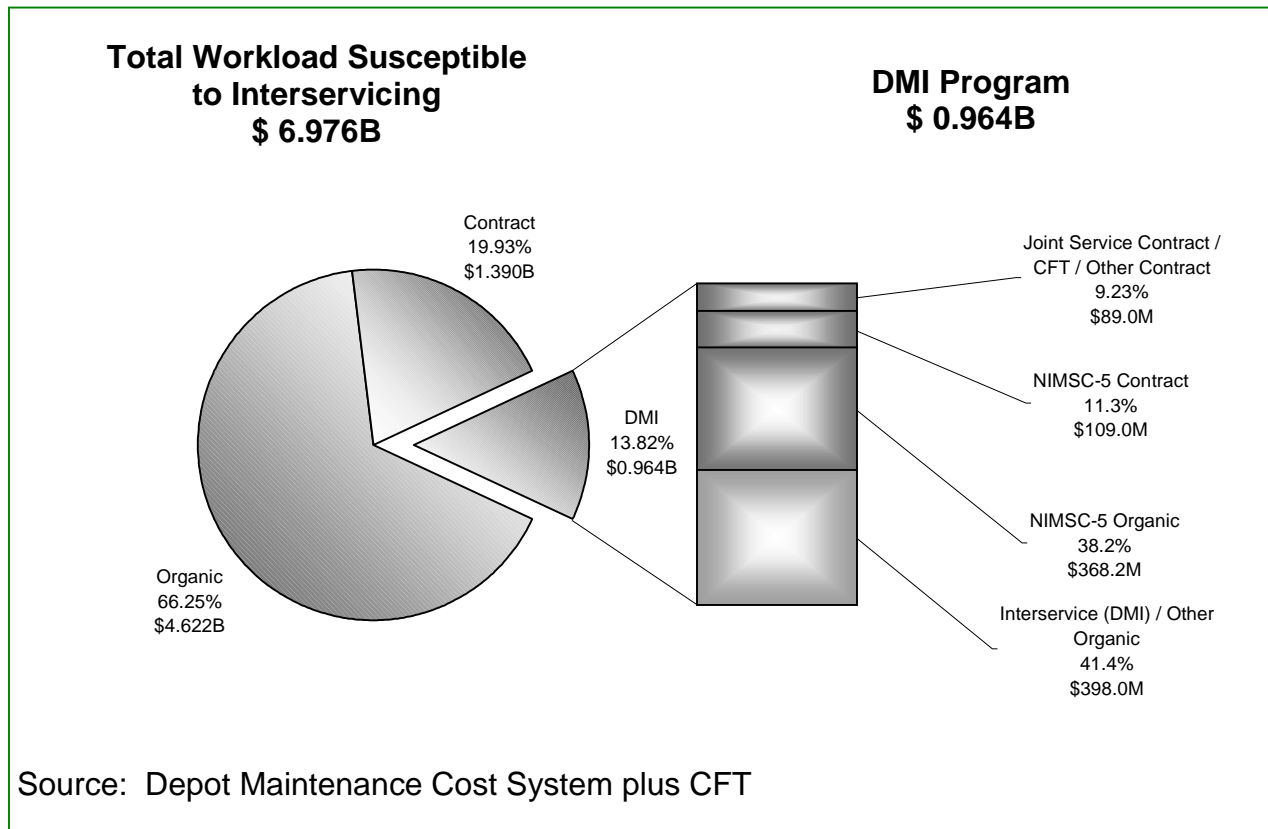
In addition, interservicing levels have been calculated against the total depot maintenance workload, which includes both workload susceptible to interservicing and workload not susceptible to interservicing. This calculation is shown on Chart 4-2. As seen in Chart 4-2, the FY98 DMI Program Workload is approximately 10.9 percent of the total DoD program.

Chart 4-2
FY98 Completed Depot Maintenance Interservice Workloads
for All Workload



As shown on Chart 4-3, the FY99 DMI Program Workload is 13.8 percent of the FY99 DoD program susceptible to interservicing.

Chart 4-3
FY99 Completed Depot Maintenance Interservice Workloads
for Only Workload Susceptible to Interservicing



The FY99 interservicing levels have been calculated against the total FY99 depot maintenance workload, which includes both workload susceptible to interservicing and workload not susceptible to interservicing. As seen in Chart 4-4, the FY99 DMI Program Workload is approximately 9.4 percent of the total DoD program.

Chart 4-4
FY99 Completed Depot Maintenance Interservice Workloads
for All Workload

